

Message Text

UNCLASSIFIED

PAGE 01 ROME 07687 051147Z

44

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEAE-00

OMB-01 SWF-02 DRC-01 /192 W
----- 025960

R 051013Z JUN 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5171

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

AMCONSUL MILAN

UNCLAS ROME 7687

STATE PASS AGRICULTURE FROM AGATTACHE

E.O. 11652: N/A

TAGS: EAGR, IT

SUBJECT: PROPOSED LIFTING OF PRIOR IMPORT DEPOSITS ON AGRICULTURAL
PRODUCTS

1. BEGIN SUMMARY. ITALIAN PRESS REPORTS AGREEMENT BY EC
FOREIGN AND AGRICULTURAL MINISTERS ON DEVALUATION OF GREEN LIRA
AND LIFTING OF ITALIAN IMPORT DEPOSIT REQUIREMENTS FOR AGRI-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ROME 07687 051147Z

CULTURAL PRODUCTS. END SUMMARY.

2. FIRST ITALIAN PRESS REPORTS ON OUTCOME OF MEETING OF FOREIGN AND AGRICULTURAL MINISTERS IN LUXEMBOURG ON JUNE 4 TH ARE IMPRECISE AND PARTLY CONTRADICTORY. HOWEVER, "IL FIORINO" CLAIMS TO HAVE HAD INTERVIEW WITH TREASURY MINISTRY COLOMBO WHO ALSO PRESENT AT LUXEMBOURG WITH FOLLOWING DETAILS.

3. COLOMBO AGAIN OUTLINED FOR THE MINISTERS IN MEETING THE GRAVITY OF THE ITALIAN ECONOMIC SITUATION -- TRADE DEFICIT, HIGH INFLATION, LOSS OF RESERVES -- AND JUSTIFIED THE IMPORT DEPOSIT MEASURES AS AN EFFORT TO RESTORE ITALY AS A VITAL AND HEALTHY COMMUNITY MEMBER. THIS WOULD STRENGTHEN THE EC RATHER THAN WEAKEN IT. THE IMPORT DEPOSIT MEASURES WERE AIMED MORE AT DRYING UP INTERNAL LIQUIDITY RATHER THAN BLOCKING IMPORTS, COLOMBO MAINTAINED.

4. THE COUNCIL OF MINISTERS IS SAID TO HAVE APPROVED FOLLOWING MEASURES: (A) DEVALUATION OF GREEN LIRA BY 12.5 PERCENT, WITH DATE OF IMPLEMENTATION TO BE DECIDED. THIS WILL HAVE EFFECT OF RAISING BY SAME AMOUNT INTERVENTION PRICES PAID TO FARMERS AND DIRECT PAYMENTS, EXCLUDING THOSE FOR HARD WHEAT AND OLIVE OIL. (B) THE APPARENT WAIVING OF THE OFFSETTING COMPENSATORY LEVIES ON ITALIAN TRADE WITH OTHER COMMUNITY MEASURES WHICH SHOULD FOLLOW SUCH A DEVALUATION. THIS WILL MEAN MORE COSTLY IMPORTS AND LESS COSTLY EXPORTS FROM ITALY, WHICH COULD HELP IMPROVE TRADE BALANCE BUT STIMULATE DOMESTIC INFLATION, HIGHER CONSUMER PRICES AND ALL THE POLITICAL TENSIONS DERIVING THEREFROM. (C) THE LIFTING OF THE IMPORT DEPOSIT REQUIREMENTS ON MOST AGRICULTURAL PRODUCTS, EXCEPT BEEF. IT IS NOT POSSIBLE TO TELL FROM PRESS REPORTS IF THIS APPLIES TO IMPORTS FROM ALL COUNTRIES OR ONLY FROM EC MEMBERS. (D) REDUCTION IN THE PRIOR IMPORT DEPOSIT FROM 50 PERCENT TO 25 PERCENT FOR BEEF. FEEDER CALVES WOULD HAVE IMPORT DEPOSIT COMPLETELY ABOLISHED.

5. COMMENT: THE MAINTAINING OF REDUCED DEPOSIT REQUIREMENT ON BEEF IMPORTS, WHILE OTHER AGRICULTURAL IMPORTS ARE MADE EXEMPT, WILL STILL KEEP THE WORST DEFICIT ITEM IN THE BALANCE AFTER PETROLEUM, NAMELY BEEF, UNDER IMPORT PENALTY. THIS POSSIBLE JUSTIFICATION FOR ALREADY MODIFYING ONLY MONTH-OLD RESTRICTIONS. BEAUDRY

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ROME 07687 051147Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, FOREIGN MINISTERS MEETINGS, AGRICULTURAL AGREEMENTS, IMPORT CONTROLS, BALANCE OF PAYMENTS, LIRA, DEVALUATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME07687
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740143-0029
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740673/aaaackqv.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 26 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 AUG 2002 by PhilliR0>; APPROVED <15 JAN 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED LIFTING OF PRIOR IMPORT DEPOSITS ON AGRICULTURAL PRODUCTS
TAGS: EAGR, IT, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005